



Natural Resources Conservation Service
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March 30, 2009

NORTH CAROLINA BULLETIN NO. 300-9-5

SUBJECT: LTP - Farm and Ranch Lands Protection Program - Request for Proposals

Purpose: To inform field offices of opportunities for participation in the Farm and Ranch Lands Protection Program for FY 2009

Expiration: September 30, 2009

Background

The Food, Conservation and Energy Act of 2008 revised and reauthorized the Farm and Ranch Lands Protection Program (FRPP); it provides and allocates approximately \$2.2 million for financial assistance in 2009 for North Carolina. Eligible entities include state and local governments, federally recognized Indian tribes, and non-governmental non-profit groups. Policy and procedures will be contained in Part 519 of the Conservation Programs Manual (CPM), which will be available soon. Information included in this bulletin outline the main points provided for by the Interim Rule. Users should refer to Part 519 when it is available for program clarification.

Eligibility and Application Process

The Request for Proposals (RFP) is attached. Entities submitting applications should include all information requested as indicated by the RFP. The deadline for submitting proposals is May 18, 2009. The 2008 Farm Bill version of FRPP directs that the program will be a continuous signup. The May 18, 2009 date represents a batching period for the 2009 year as well as the deadline for submitting proposals for the 2009 fiscal year. Entities will be notified of the status of applications within 30 days after each batching date. Applications not awarded funding may be deferred until the next cycle or could be withdrawn, revised, and then may be resubmitted prior to the next batching date (cycle).

Eligible entities include state and local governments, non-governmental (non-profits) organizations, federally recognized Indian tribes that **have a written pending offer** for the acquisition of a conservation easement for the purposes of protecting agricultural use. Individual landowners cannot apply directly to FRPP for funding. Landowner interest must be conveyed to an eligible entity that has an existing farm land protection program. The eligible entity can then apply for federal FRPP matching funds to help acquire the easement. The federal Farm and Ranchlands Protection Program is intended to be a supplemental funding source for existing state and local farm land protection programs.

Input is solicited from the State Technical Committee for the development of the ranking criteria. The State Conservationist will review and rank proposals based on the combination of National and State criteria (Attached Ranking Tool).

Distribution: E

Eligible parcels must meet at least one of the following criteria:

1. Does the Parcel have 50% prime, unique, and important farmland?
2. Does the Parcel have historic or archeological resources?
3. Does the Parcel have land that supports the policy of a state or local farm land protection program?

Factors in the ranking criteria include:

- Inclusion of prime, unique, and statewide important soils (percentage)
- Percentage of cropland, grassland, and pastureland included in the parcel
- Ratio of the total acres of land in the parcel to be protected to average farm size in the county according to the most recent USDA Census of Agriculture
- Decrease in the percentage of acreage of farm and ranch land in the county in which the parcel is located between the last two USDA Censuses of Agriculture
- Percent population growth in the county as documented by the United States Census
- Population density (population per square mile) as documented by the most recent United States Census
- Proximity of the parcel to other protected land, including military installations
- Proximity of the parcel to other agricultural operations and infrastructure
- Participation in a county Voluntary Agricultural District or Enhanced Voluntary Agricultural District
- Capital Investment in the farm
- The development and consideration of a Farm Business/Transition Plan

A hazardous materials search will be conducted and field visits made to each site. Landowners will be interviewed to assure understanding of program requirements and opportunities.

A landowner contribution of up to 25% of the appraised fair market value of the easement can be used as part of the local matching funds. The purchase price is the fair market value acquired through standard real property appraisal and is the difference between the value of the unencumbered property and the value of the property with easement restrictions. The FRPP portion of the easement purchase cannot exceed 50% of this appraised fair market value.

All land accepted in the FRPP must have a conservation plan developed and implemented. The conservation plan shall meet minimum criteria to comply with HEL/WC provisions. NRCS is responsible for assisting the landowner in developing an appropriate conservation plan. A conservation plan on highly erodible land will be developed prior to easement closure and payment disbursement by NRCS. Implementation of National Food Security Act Manual provisions shall occur within a year unless an extension is granted by the State Conservationist, due to conditions that are beyond the control of the landowner. In addition, NRCS will assist

entities by providing input with the Land Evaluation and Site Assessment (LESA) portion of the ranking tool. District Conservationists may also request assistance from area soil specialists as needed.

Questions concerning the Farm and Ranch Lands Protection Program should be addressed to the field offices, then to the respective Area Office, and then to program manager, Greg Walker.

Proposals from eligible entities should be forwarded to:

Greg Walker
USDA-NRCS
4407 Bland Road, Suite 117
Raleigh, NC 27609

Proposals should provide all information requested in the *Request for Proposals* and *Ranking Tool* attached. Information included in this bulletin is not all inclusive. Users should refer to Part 519 for additional information regarding FRPP. Incomplete proposal packages will not be considered for funding. These documents are also found on the NRCS website at:
<http://www.nc.nrcs.usda.gov/programs/frpp>

Mary K. Combs
State Conservationist

Attachments

2009 Farm and Ranch Lands Protection Program (FRPP)

Request for Proposals

The purpose of the Farm and Ranch Lands Protection Program is to facilitate and provide funding to purchase easements. Funds may be used to match other funds and resources in order to purchase easements on farmland in North Carolina. There are several changes from the 2002 Farm Bill version of the program. The program will now become a continuous signup. This continuous signup will begin with this Request for Proposals. A batching period will be set and that date will be May 18, 2009. The NRCS State Conservationist will announce the batching date annually. Applications received before the 2009 batching date will be ranked and considered for the 2009 program funding. Applications received after the batching date will be deferred and considered for the following year's funding cycle. Applicants for parcels not selected in the 2009 batching period will be given the opportunity to update their applications in September, allowing for re-submittal in the 2010 program year.

Applications to be considered in the May 18, 2009 batching period must be received in the NRCS State Office by close of business on May 18, 2009. Applications shall be mailed or hand delivered to:

USDA-Natural Resources Conservation Service
4407 Bland Road, Suite 117
Raleigh, North Carolina 27609
Attention: Greg Walker, Assistant State Conservationist-Programs

All questions regarding this Request for Proposals should be addressed to Greg Walker, Assistant State Conservationist – Programs. Phone number is 919-873-2104.
greg.walker@nc.usda.gov

Also see FRPP requirements at: <http://www.nc.nrcs.usda.gov/programs/frpp>

Additional changes and important information about FRPP are listed below:

- Eligible landowners must certify that they do not exceed the Adjusted Gross Income limitation eligibility requirements and are in compliance with Wetland Conservation and Highly Erodible Land provisions of the Farm Bill before the cooperative agreement is signed. Contact the local Farm Service Agency (FSA) and the NRCS office for additional assistance as needed.
- The 2008 Farm Bill will allow up to 67% of the offered easement area to be in forestland, however, forestland greater than 10% of the easement area must have a forest management plan. The forest management plan will be prepared by a registered forester or a NC Division of Forest Resources forester.

- FRPP can contribute no more than 50% of appraised fair market value (AFMV), the cooperating entity must contribute the balance of the cost. A cooperating entity may use a landowner donation as part of their contribution, however, the cooperating entity must pay a minimum of 25% of the purchase price (AFMV minus landowner donation).
- The 2008 Farm Bill version of the FRPP retains the 2% impervious surface limit. A waiver must be requested and granted to exceed 2% but cannot exceed 10% under any circumstances. Such waiver requests would be included in the application package. A waiver request would include a detailed account of the impervious surfaces and their respective uses/value to the parcel in order to justify exceeding 2%.
- The cooperating entity is responsible for the appraisal, survey, and title search.
- Easements will be held by the cooperating entity only. The United States will not pay or hold title insurance on deeds beginning with 2009 cooperative agreements.
- The 2008 Farm Bill rule will allow deeds to have a 'Right of Enforcement' clause. The United States no longer has the right to assume ownership of the easement if the entity does not enforce the provisions of the conservation easement deed.
- The 2008 Farm Bill and Rule allows cooperating entities to choose a standard on which to base compensation. Appraisals may be either USPAP or UASFLA (Yellow Book).
- A technical review of the first appraisal, of each appraiser, in each program year is required. All appraisals over \$1 million of FRPP contribution and all appraisals 'flagged' by an administrative review, will receive a technical review. No less than 10% of all appraisals will be reviewed each year.
- A hazardous materials records search and field visits are conducted on each parcel. Each landowner is interviewed to clarify FRPP policy on the funding requirements and easement acquisition process.
- Cooperating entities will submit conservation easement deed form for approval within 30 days of signing the cooperative agreement. Cooperating entities submit appraisals and title commitment for review 90 days before closing.

The following information is required for a valid application to the Farm and Ranch Lands Protection Program. Entities submitting multiple tracts should only document entity information once. Tract information will be prepared for each tract offered.

Entity Information

The entity must provide evidence of a commitment to long-term conservation of agricultural lands through the use of voluntary conservation easements that protect farm lands from conversion to nonagricultural uses. *Examples: State, Tribal, or Local government statute or ordinance or non-governmental organization mission statement attached.*

The entity must provide evidence of a capability to acquire, manage, and enforce conservation easements. *Examples: number of easements held and managed and current staff available.*

The entity must provide evidence of staff capacity that will be dedicated to monitoring and conservation easement stewardship.

The entity must provide evidence of the availability of funds equal to at least 50 percent of the estimated fair market value of the conservation easement (including landowner donation). *Example: State, Tribal, or local government appropriation or statement from non-government organization that funds are available.*

The entity must provide its title and appraisal policy.

Parcel Information

State

County

Map of the parcel showing the proposed protected area. **(Attach Map)**

Names of the landowners of the parcel and ownership document. **(Attach)**

Address of the parcel.

Location map of the parcel. **(Attach Map)**

Legal Description of the parcel. **(Attach Document)**

Size of the parcel (acres).

Pending offer for the parcel **(Signed written offer attached)**

Acres of the prime, unique, or Statewide and locally important soil in the parcel is required. Consult the local NRCS/SWCD office for assistance through the NRCS

WebSoil Survey tool. Attach the map and table of the prime, unique, or Statewide or locally important soils for the parcel.

Provide a brief description of the historical or archaeological resources proposed to be protected, and the site's significance as well as the site's listing on the Federal, Tribal, or State register. The listing document that describes the significance of the site must be included in the application to compare with the cooperating entity's ability to manage and enforce the easement for historic preservation of the site.

Provide a description of the manner that each parcel supports a State or local farm or ranch land protection program, if applicable. (*Evidence of how parcel supports the policy such as location within a focus area or statement from the unit of government indicating that the parcel supports the unit of government's policy, map or statement attached*).

Acres of cropland

Acres of Pastureland

Acres of Forest (Sum of Wetland and Non-Wetland Forest)

Acres of Incidental Land (including farmstead and non-forested wetland)

Acres of Forested Wetlands (forest with hydric soil)

Acres of Non-wetland Forest (forest without hydric soil)

Acres of Non-Forested Wetland (hydric soil without forest cover) (part if incidental land)

A map showing the location of other protected parcels in relation to the land parcels proposed to be protected. (**Attach and label map**)

The estimated value of the easement/parcel (should equal the sum of the estimated cooperating entity contribution, landowner donation, and Federal contribution).

The estimated contribution by the cooperating entity (dollars).

The estimated landowner donation (the appraised fair market value minus the amount that the landowner will accept for the easement) (**not a cash donation**) (dollars).

The expected Federal contribution. This contribution cannot be more than 50% of the appraised fair market value of the land (dollars).

Provide written documentation that matching funds are secured in order to close the easement.

An estimated cooperating entity's recommended stewardship fee to be paid by the landowner (dollars), if applicable.

An indication of the accessibility to markets for the parcel (miles to grain elevators, livestock markets, milk processors, cotton gins, etc).

An indication of an existing agricultural infrastructure, on-and off-farm, and other support system(s) (miles to tractor dealers, agricultural chemical, feed and fertilizer dealers).

A statement regarding the level of threat from urban development for the parcel (**attach**).

The percent of impervious surface. (*See discussion regarding impervious surfaces on page 2 of this document*)

Subsurface Mineral Rights

Mining is prohibited on FRPP easements. Subsurface mineral rights owned by third parties must be subordinated or a mineral remoteness test conducted to assess the chance of the minerals being extracted by the third party. Parcels that have a high potential of being mined will not be accepted into FRPP. Exploration and extraction of oil and gas is negotiable and deeds must be written to minimize the disturbance caused by the exploration and extraction. Provide information of the status of mineral rights for this parcel (s).

Subdivision

Subdivision in FRPP is generally prohibited. Parcels for which landowners know the exact locations and dimensions of the subdivided parcels should submit the parcels as separate parcels to be ranked at their subdivided size. If a landowner wants the option to subdivide at a date after the application is submitted, permission must be written into the conservation easement deed. The size of the subdivided parcels must be an economically viable size for a farm or ranch in the county in which the parcel is located. Lot sizes less than the size of the average farm in the county at the time of deed approval will not be permitted.

Additional Residences

Construction of new residences is generally prohibited on FRPP easements. If a landowner wants the option to construct additional residences for children returning to the farm or full time farm employees after the application is submitted, permission must be written into the conservation easement deed. The size and location of the residences must also be specified in the conservation easement deed. The deed must state that occupant of each residence must be a full time farm or ranch employee.

<p align="center">USDA, Natural Resources Conservation Service</p> <p align="center">Farm and Ranch Lands Protection Program</p> <p align="center">Parcel Eligibility and Ranking Form</p>
2009
Landowner Name and Address
Cooperating Entity Name and Address
State in which the Parcel is Located
County in which Parcel is Located
Locality (Town/Township) in which the Parcel is Located
Is the Landowner AGI Eligible (Y/N)?
Is the Landowner HEL Eligible (Y/N)?
Is the Landowner WC Eligible (Y/N)?
Does the Parcel have 50% prime, unique, and important farmland? (Y/N)
Does the Parcel have historic or archeological resources? (Y/N)
Does the Parcel have land that supports the policy of a state or local farm land protection program? (Attach policy cited)
Is this Parcel eligible? (Y/N) At lease one of the 3 questions directly above this question must be answered YES to be eligible.
Has a Conservation Plan been developed and signed by the landowner of parcel? Y/N
Name of NRCS Employee Confirming Landowner Eligibility
Signature of NRCS Employee Confirming Landowner Eligibility
Is the Cooperating Entity Eligible (Y/N)?
Name of NRCS Employee Confirming Entity Eligibility
Signature of NRCS Employee Confirming Entity Eligibility
Does Cooperating Entity have a Pending Offer for the Parcel (Y/N)?
Name of NRCS Employee Confirming Parcel Offer
Signature of NRCS Employee Confirming Parcel Offer
Name of NRCS Employee Confirming Land Eligibility
Signature of NRCS Employee Confirming Land Eligibility

Nationally Ranking Factors		
Ranking Factor and Scaling	Maximum Points	Points
Percent of prime, unique and important farmland soils in the parcel to be protected (0 points for 50 percent or less, 4 points for every percent above 50 percent)	200	
Percent of cropland, pastureland, or grassland , in the parcel to be protected (0 points for 33 percent or less, 3 points for every percent above 33 percent)	200	
Ratio of the total acres of land in the parcel to be protected to average farm size in the county according to the most recent USDA Census of Agriculture (www.agcensus.usda.gov) (0 points for a ratio of 1 or less, 50 points for ratios of 1.0 to 2.0, 100 points for ratios of greater than 2.0)	100	
Decrease in the percentage of acreage of farm land in the county in which the parcel is located between the last two USDA Censuses of Agriculture (www.agcensus.usda.gov) (0 points for decrease of 0 percent or less, 50 points for decreases of 0 to 5 percent, 100 points for decrease of 5 to 10 percent, 50 points for decreases of 10 to 15 percent, 0 points for decreases of more than 15 percent)	100	
Percent population growth in the county as documented by the United States Census (www.census.gov) (0 points for growth rate of less than the state growth rate, 50 points for growth rate of 1 to 2 times the state growth rate, 100 points for growth rate of 2 to 3 times the state growth rate, 0 points for growth rate of more than 3 times the state growth rate)	100	
Population density (population per square mile) as documented by the most recent United States Census (www.census.gov) (0 points for population density less than the state population density, 50 points for population density of 1 to 1.9 times the state population density, 100 points for population density of 2 to 2.9 times the state population density, 0 points for population density of more than ≥ 3 times the state population density)	100	
Proximity of the parcel to other protected land , including military installations (0 points for less than 250 acres of protected land within a mile of the boundaries of the parcel, 50 points for 250-500 acres of protected land within a mile of the boundaries of the parcel, 100 points for 501 acres or more of protected land within a mile of the boundaries of the parcel)	100	
Proximity of the parcel to other agricultural operations and infrastructure (0 points for less than 250 acres of agricultural land within a mile of the boundaries of the parcel, 50 points for 250-500 acres of agricultural land within a mile of the boundaries of the parcel, 100 points for 501 acres or more of agricultural land within a mile of the boundaries of the parcel)	100	
Total Points for Nationally Mandated Ranking Factors	1000	

State Ranking Factors																																																																										
<p>Contains a historical or archaeological resource on the State or National Register, or formally eligible for the National Register. Yes - 100 points No - 0 points</p>	100																																																																									
<p>Use the NRCS LESA (Land Evaluation and Site Assessment) values for the soil types found on the offered property to calculate the points for this section. Each county NRCS office has a chart indicating the agricultural group and relative value of each soil type found in the county. The best land (Group 1) is given a relative value of 100. Other groups are valued at less than 100. Note: Total acres should equal total acres being offered for enrollment.</p> <table border="0"> <thead> <tr> <th>Group</th> <th>Acres</th> <th></th> <th>Relative Value</th> <th></th> <th>Adjusted Value</th> </tr> </thead> <tbody> <tr><td>1</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>2</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>3</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>4</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>5</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>6</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>7</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>8</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>10</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>11</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> <tr><td>12</td><td>_____</td><td>x</td><td>_____</td><td>=</td><td>_____</td></tr> </tbody> </table> <div style="display: flex; justify-content: space-between;"> _____ _____ </div> <div style="display: flex; justify-content: space-between;"> Total Acres Total Adjusted Value </div> <div style="display: flex; align-items: center;"> <div style="flex: 1;"> <u>Total Adjusted Value</u> Total Acres </div> <div style="flex: 1; text-align: center;"> X 2 points = _____ Total Points </div> </div>	Group	Acres		Relative Value		Adjusted Value	1	_____	x	_____	=	_____	2	_____	x	_____	=	_____	3	_____	x	_____	=	_____	4	_____	x	_____	=	_____	5	_____	x	_____	=	_____	6	_____	x	_____	=	_____	7	_____	x	_____	=	_____	8	_____	x	_____	=	_____	10	_____	x	_____	=	_____	11	_____	x	_____	=	_____	12	_____	x	_____	=	_____	200	
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<p>If your county has a Voluntary Agricultural District or Enhanced Voluntary Agricultural District: Is this parcel a member of such VAD or EVAD? Yes – 100 Points No – 0 points OR If your county does not have a Voluntary Agricultural District or Enhanced Voluntary Agricultural District: Claim 50 points</p>	100																																																																									
<p>Does this parcel's owner have a Farm Business Plan or Farm Transition Plan? Yes – 100 points, No – 0 points (Enclose copy of plan)</p>	100																																																																									

Capital Investment in Farm Operation – Does not include dwellings on the parcel except for employee housing. Substantial capital investment made within: Last 0-2 years – 200 points Last 2-5 years – 150 points Last 5-10 years – 100 points Last 10-15 years – 50 points No substantial investment within above criteria - 0 points	200	
Total Points for State Mandated Ranking Factors	700	
Total Points	1700	

*See additional criteria discussed in the **Request for Proposals***

Special Ag Districts - VAD or EVAD must be approved by the local county government and operational. Provide documentation that the county for which the parcel is located has a Voluntary Agricultural District (VAD) or Enhanced Voluntary Agricultural District (EVAD). Provide evidence that the applicant is a member of such VAD or EVAD. If the county does not have an EVAD or a VAD, claim the appropriate points.

Capital Investment in Farm Operation - If a landowner has made a substantial investment recently in the farming operation, it may indicate the person's commitment to continue farming for the next several years, thus helping to meet the objectives of the FRPP. Substantial investment is \$20,000 **or** an average investment of at least \$400 per offered acre, whichever is less. Information is obtained through visual observations and discussions with landowner. Payment records or bills are not required. (Example: 6 years ago a \$5500 barn was built on ½ acre of land. That land, along with 10 additional acres is offered for enrollment. Average investment is $\$5500/10 \frac{1}{2} \text{ acres} = \524 per acre.)

Farm Business Plan or Farm Transition Plan – A plan that generally describes the management and the transfer of resources pertaining to income derived from, and ownership of the farm land currently and after retirement of the current operator and/or death of the farm owners. Such a plan should provide a narrative description of how the farm land will remain in production after the retirement or exit of the current operator.

The plan should describe how a combination of estate planning documents (wills, trusts, powers of attorney, etc.), business agreements or organizations (partnerships, limited liability company, etc.), and/or written leases and other tools will ensure the land will be available and used in production of crops, timber, horticulture or other related agricultural products in the future.